

NOTICE OF PROPOSED NEW RULE

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

- Agency: Insurance - Administration
Room no.: 3110
Building: STATE OFFICE BLDG
Street address 1: 450 N MAIN ST
Street address 2:
City, state, zip: SALT LAKE CITY UT 84114-1201
Mailing address 1: PO BOX 146901
Mailing address 2:
City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 34362 Date filed: 01/13/2011 04:42 PM
State Admin Rule Filing Key: 150532
Utah Admin. Code ref. (R no.): R 590 - 260 -

Title

- Title of rule or section (catchline):
Utah Defined Contribution Risk Adjuster Plan of Operation.

Notice Type

- Type of notice: New Rule

Rule Purpose

- Purpose of the rule or reason for the change:
The purpose of the rule is to adopt the Utah Defined Contribution Risk Adjuster Plan of Operation (Plan) as required by 31A-42-204. The Plan sets forth operating procedures for insurers who offer insurance plans through the Utah Health Exchange (Exchange) and sets standards and requirements for employers and their employees who purchase insurance through the Exchange.

Response Information

- This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

- Summary of the rule or change:

This rule adopts the Utah Defined Contribution Risk Adjuster Plan of Operation and sets the date of enforcement at 45 days after the rule becomes effective.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

This rule will create no fiscal impact or increased work load for the department or state budget. The rule sets forth procedures for health insurers to follow if they decide to participate in the Exchange.

B) Local government:

Affected: No

This rule will have no effect on local governments since it deals with the relationship between the department and health insurers licensed through the department to do business in Utah.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

The rule sets qualifying requirements and standards for small businesses who want to participate in the Exchange. It provides small employers with additional insurance plans for their employees to choose from. For employers who were unable to afford coverage for their employees, the Exchange makes it possible for them to give each employee a choice of health coverage and contribute money to them to pay for their premium.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Health insurers who offer insurance on the Utah Health Exchange will be required to follow the procedures in the Plan. It is the insurer's choice if they participate. Those participating in the Plan have already incurred cost to have computer technicians put five of their more popular plans onto the Exchange and pay actuaries to determine the cost of these plans. The Plan sets qualifying requirements and standards for small and large businesses who want to participate in the Exchange. It provides employers with an additional option to present to their employees to choose from. For employers who were unable to afford coverage for their employees, the Exchange makes it possible for them to give each employee a choice of health plans to fit their needs and with the money contributed by their employer they have a little help to pay for the insurance premium.

Compliance Cost Information

8. Compliance costs for affected persons:

procedures in the Plan. It is the insurer's choice if they participate. Those participating in the Plan have already incurred cost to have computer technicians put five of their more popular plans onto the Exchange and pay actuaries to determine the cost of these plans. The Plan sets qualifying requirements and standards for small and large businesses who want to participate in the Exchange. It provides employers with an additional option to present to their employees to choose from. For employers who were unable to afford coverage for their employees, the Exchange makes it possible for them to give each employee a choice of health plans to fit their needs and with the money contributed by their employer they have a little help to pay for the insurance premium. What the exact cost is for each affected person varies.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

The fiscal impact on employers and health insurers who are on the Exchange and following the Defined Contribution plan varies. It should be noted that this participation is not mandated. It is completely voluntary on the part of the employer and insurer.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.
 State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
 31A-42-204

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

<p>Official Title of Materials Incorporated (from title page):</p> <p>Publisher:</p> <p>Date Issued:</p> <p>Issue, or version:</p> <p>ISBN Number:</p> <p>ISSN Number:</p> <p>Cost of Incorporated Reference:</p> <p>Adds, updates, removes:</p>
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Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

03/03/2011

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

03/10/2011

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
 risk adjuster plan operation

File Information

15. Attach an RTF document containing the text of this rule change (filename):
 There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information
Specialist

Date (mm/dd/yyyy): 01/13/2011